

Date Mailed
December 8, 1998

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Madison Gas and Electric Company,
As a Gas Public Utility, for Authority to Provide Natural Gas
Service in Portions of the Town of Sun Prairie,
Dane County.

3270-CG-114

**NOTICE OF PROCEEDING AND INVESTIGATION
AND ASSESSMENT OF COSTS**

This is a proceeding to consider the September 17, 1998, application of Madison Gas and Electric Company (MGE), as a gas public utility, for authority under Wis. Stat. § 196.49, and Wis. Admin. Code ch. PSC 133, to provide natural gas service in sections 19, 30, and 31 of the Town of Sun Prairie, Dane County, Wisconsin.

MGE is a Wisconsin corporation engaged in providing electric and natural gas service in the City of Madison and the surrounding area, with its principal office at 133 South Blair Street, Madison, Wisconsin, and, as such, is a public utility as defined Wis. Stat. § 196.01(5) subject to the jurisdiction of the Public Service Commission of Wisconsin (Commission). MGE currently provides natural gas service in the immediate vicinity of the Town of Sun Prairie, Dane County.

MGE has provided service to customers in the Town of Sun Prairie since 1967 with the belief it had been so authorized. Currently, the utility serves 19 customers in section 19. Approximately ½ mile of 2 inch steel main and 19 services have been installed in section 19 in the Town of Sun Prairie. No customers are currently being served in sections 30 and 31. However, recently it was brought to the utility's attention that MGE has not been authorized by the Commission to provide natural gas public utility service to the Town of Sun Prairie, Dane County.

The Commission, on September 24, 1963, in docket CA-4252, authorized Wisconsin Gas Company (WGC) (formerly Milwaukee Gas Light Company), to provide natural gas service in the Town of Sun Prairie. WGC is currently serving customers in the Town of Sun Prairie. Therefore, the Commission will consider MGE's present request for authorization to construct facilities and provide natural gas service in portions of the Town of Sun Prairie, Dane County, as a request under Wis. Stats. § 196.49 and 196.50, and Wis. Admin. Code ch. PSC 133.

In 1966, Commission Order CA-4582 authorized MG&E to construct gas transmission and distribution facilities in the towns of Burke and Windsor, Dane County. Order

CA-4582 described a territorial agreement dated December 17, 1965, between WGC and MGE with respect to areas to be served by each company in the Towns of Burke and Sun Prairie. In the territorial agreement, sections 19, 30, and 31 in the Town of Sun Prairie, Dane County were assigned to MGE and sections 1-18, 20-29, and 32-36 were assigned to WGC. However, the Commission's Order CA-4582 dated March 10, 1966, does not authorize MGE to provide natural gas service in the Town of Sun Prairie, Dane County.

The Town of Sun Prairie, Dane County, adopted an ordinance on January 3, 1966, granting MGE the authority to provide natural gas in sections 19, 30, and 31 of the Town of Sun Prairie, Dane County.

In August 1998, MGE received an application for natural gas service from a prospective customer in section 31, Town of Sun Prairie. MGE plans to provide natural gas service to this customer and additional customers in section 30. MGE also intends to complete a gas distribution system loop to the existing customers in section 19, Town of Sun Prairie.

NOTICE IS GIVEN that the Commission will investigate whether MGE is currently providing natural gas service in sections 19, 30, and 31 of the Town of Sun Prairie, Dane County, Wisconsin, without a Commission certificate of authority and, if so, whether such authority should be granted at this time.

NOTICE IS GIVEN that the Commission will investigate the application without hearing unless an interested party requests a hearing within 10 working days of the date this notice is mailed.

NOTICE IS FURTHER GIVEN that the Commission considers it necessary in order to carry out its duties to investigate the books, accounts, practices and activities of Madison Gas and Electric Company, as a gas public utility. The expenses incurred by the Commission which are reasonably attributable to the investigation will be assessed against and collected from Madison Gas and Electric Company as a gas public utility, under Wis. Stat. § 196.85, and Wis. Admin. Code ch. PSC 5.

This is Type III action under Wis. Admin. Code § 4.10(3). No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under Wis. Stat. § 1.11, nor an environmental assessment is required.

Docket 3270-CG-114

If there are any questions regarding this matter, please contact John R. Vogt, Natural Gas Division at (608) 267-3374.

Dated at Madison, Wisconsin, _____

For the Commission:

Lynda L. Dorr
Secretary to the Commission

LLD:JRV:MAD:g:\notice\pending\3270CG114 Sun Prairie noi